



Office of the Chief Financial Officer and Treasurer

August 17, 2023

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on August 4, 2023, the Purdue University Board of Trustees approved the lease of Hangars 7 and 8, the fuel facility and the land they occupy at the Purdue University Airport, located near the West Lafayette campus.

The 40-year lease is with Purdue Aviation, LLC, who will rent the three airport facilities and provide fixed-base operator services to the airport. As the fixed-base operator, Purdue Aviation, LLC must provide fuel services, aircraft rentals and maintenance and flight instruction. Purdue Aviation, LLC will provide monthly rent to Purdue University for use of the facilities, will collect fees on behalf of the university and will invest \$3,500,000 in facility improvements within five years of the lease start. The lease is effective July 1, 2025.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this lease. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'CAR', written over a light blue horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Jasmine Williams, Assistant Director, Indiana State Budget
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

LEASE TERM SHEET

Facilities and Ground Lease to Purdue Aviation, LLC

Purdue University - West Lafayette Campus

Budget Agency Project Number: B-1-24-5-10

Project Summary and Description:

Purdue University proposes to lease Hangars 7 and 8, the fuel facility and the land they occupy at the Purdue University Airport to Purdue Aviation, LLC to store aircraft for flight students. The land and building lease supports the terms of the fixed-base operator agreement, which requires Purdue Aviation to manage fuel service, aircraft maintenance, aircraft rentals and flight training.

Purdue Aviation is responsible for the maintenance and upkeep of the rented facilities through the term of the lease and will invest a minimum of \$3,500,000 in airport facility improvements within five years of the lease start.

Lease Parties: Purdue University (Landlord)
Purdue Aviation, LLC (Tenant)

Lease Term:

The lease with Purdue Aviation, LLC is for 40 years. An additional 10-year period is available.

Space: 3.65 total acres – Hangar 7, 2.55 acres; Hangar 8, 1.04 acres, Fuel Facility, 0.06 acres

Total Rent: A minimum of \$8,640,000 for the 40-year term, with lease rates to be adjusted every five years.